

11 April 2018

Palm Valley Update

Central Petroleum Limited (“**Company**” or “**Central**”) has undertaken a review of the maximum delivery capability of the existing Palm Valley wells to determine what production rates could be achieved without considering the Palm Valley-13 well, which will be drilled this fiscal year. That review concluded that existing Palm Valley wells could produce at a rate of 15 TJ/d (5.5 PJ p.a.) for a period of two years before reverting to 5 TJ/d thereafter. The Company is in the middle of a FEED process for the facilities upgrade at Palm Valley to enable it to process its historical design capacity of 20 TJ/d (7.3 PJ p.a.). In light of the review the board has sanctioned the reopening of the Palm Valley field and the employment of additional personnel without awaiting for the results of Palm Valley-13.

The results of the FEED is timed to coincide with the results of Palm Valley-13 becoming available.

As a result of this decision, the Company is confident that it will be able to have 15-20 TJ/d of Sales Gas available by the time the Northern Gas Pipeline is operational—assumed to be 1 December this year.

“This is an important step forward to achieving Central total Sales Gas production of 54 TJ/d (19.6 PJ p.a.) by 1 December this year up from existing sales of 17 TJ/d, more than tripling this year’s production,” said Richard Cottee, Managing Director.

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